

## SECO LoanSTAR “5-FIVE-25” Pilot Program Loan Application Information

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### PROGRAM SUMMARY

The Texas State Energy Conservation Office’s LoanSTAR Pilot Program for non-profit organizations was established by House Bill 2077 (82R) and codified in [Tex. Gov’t Code §2305.0322](#). This Pilot Program “5-FIVE-25” provides financing for energy-related cost-reduction retrofits for facilities owned and occupied by Community-Based and House of Worship non-profit organizations. Low interest rate loans are provided to assist those institutions in financing their energy-related cost-reduction efforts. The program’s revolving loan mechanism allows successful Applicants to repay loans through the stream of energy cost savings realized from the projects.

### ELIGIBLE APPLICANTS

The "5-FIVE-25" Pilot Program is intended for community-based organization (as assigned by [Tex. Gov’t. Code §535.001](#)) that both own and occupy their building. Organizations include:

- Non-profit Community-based Organizations, a nonprofit corporation or association that is located in close proximity to the population the organization serves
- Houses of Worship, a nonprofit corporation or association that:
  - is operated through a religious or denominational organization, including an organization that is operated for religious, educational, or charitable purposes and that is operated, supervised, or controlled, wholly or partly, by or in connection with a religious organization; or
  - clearly demonstrates through the organization's mission statement, policies, or practices that the organization is guided or motivated by religion.

### PROGRAM TERMS

The "5-FIVE-25" Pilot Program name is based on the loan structure: 5% interest rate, five-year loan repayment term, and \$25,000 maximum loan amount. It is anticipated that Applicants will use the post-retrofit energy cost savings to repay the loan.

- The maximum loan amount shall not exceed \$25,000 per application.
- The interest rate is set at a fixed rate of 5.0% for a loan repayment term of five years.
- Project expenses will be reimbursed on a “cost reimbursement” basis. No advance of funds is allowed.
- Borrower will be required to comply with federal Solid Waste Disposal Act, and, if applicable, National Environmental Policy Act, and National Historic Preservation Act. Applicants will ensure that the State Historical Preservation Office (SHPO) is consulted in any project award that may include a building or site of historical importance. In this regard, SHPO guidance will be solicited and followed to ensure that the historical significance of the building will be preserved. All requirements are set out in the sample contract.
- All improvements financed through the LoanSTAR Revolving Loan Program shall meet minimum efficiency standards as prescribed by applicable building energy codes.

### ELIGIBLE ENERGY COST SAVINGS PROJECTS

For the purposes of this application, examples of acceptable projects include:

- Lighting and lighting controls
- HVAC and related equipment
- Energy management systems and equipment control automation

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**APPLICATION SUBMISSION**

Applicants must submit one (1) original Loan Application and attachments and five (5) bound copies. Applications must be delivered to the Comptroller of Public Accounts Office to the attention of the Assistant General Counsel, Contracts, 111 E. 17<sup>th</sup> Street, Room 201, Austin, Texas 78774 no later than 2:00pm (CST) on Friday, June 28, 2013. Late Applications will not be considered under any circumstances. Applicants will be solely responsible for verifying timely receipt of applications in the Issuing Office.

**SECO APPLICATION REVIEW PROCESS**

Prior to the Loan Application submittal, SECO will establish an Evaluation Committee for the full review and evaluation of eligible applications. The Evaluation Committee shall include employees of the Comptroller and may include other impartial individuals who are non-Comptroller employees.

A Loan Application, submitted through a NOLFA/RFA process, must be reviewed by the SECO legal counsel before a loan can be considered. SECO’s legal counsel checks the applications for eligibility, for compliance with the terms of this NOLFA/RFA, and for thoroughness. The applications that meet minimum qualifications and meet eligibility requirements are then distributed to the members of the Evaluation Committee for their independent review and evaluation.

The Evaluation Committee will review and individually score each written application. The Evaluation Committee has the option of interviewing the top scoring applications at the SECO office. If interviews are requested, the Evaluation Committee may ask each Applicant a series of questions to clarify responses in their application. The Evaluation Committee can, in its sole discretion, proceed directly to Applicant scoring and selection without the necessity of any oral interviews.

Successful Applicant(s) will be notified upon their selection. SECO shall negotiate a Loan Agreement with the apparent Successful Applicants. The Loan Agreement is a document that authorizes the institution to proceed with their projects. If a Loan Agreement cannot be successfully negotiated within a reasonable period of time, negotiations will be terminated, and negotiations with the next highest ranking Applicant may commence. The process may continue until one or more Loan Agreements are signed or the loan offer is withdrawn. SECO may at any time, upon failure of negotiations, choose to reissue or withdraw the loan offer rather than continue with negotiations. If SECO decides, in its sole discretion, to award more than one loan, SECO may proceed with negotiations in the above-described manner with more than one Applicant simultaneously.

**MONITORING PROCESS**

Successful Applicant agrees to notify SECO when the project reaches 100% completion. SECO will then perform a construction monitoring visit. SECO will provide the Applicant with a copy of the Final Monitoring Report.

Successful Applicant shall then certify with a written letter that materials and equipment to be replaced have been properly disposed. These materials would include, but not be limited to, light bulbs, ballasts, switches, controls, HVAC equipment, refrigerants, pumps, fans, blowers, piping, valves, conduit, wiring, and boilers. Certification shall include proper disposal of hazardous materials. All waste disposals must be conducted in compliance with local, State of Texas, and federal rules and regulations.

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Upon completion of the project and acceptance by SECO, the Successful Applicant will submit a final reimbursement request to SECO.

**LOAN REPAYMENT PROCESS**

After repayment of the final reimbursement request, SECO will then forward the Loan Repayment Schedule to the Successful Applicant based on the incurred loan amount.

Loan repayments will begin within sixty days of project completion. Payments are due quarterly. These projected savings are the basis for the loan. The dollar amount and the number of loan payments are shown in the Loan Repayment Schedule. The payments do not vary according to the actual energy savings. Payments established in the loan contract and in the Loan Repayment Schedule are due regardless of whether the Applicant has achieved that level of energy savings. The applicant payback term will be five (5) years.

**APPLICATION SCHEDULE OF EVENTS**

<b>Description</b>	<b>Date</b>
<b>Issuance of Request for Application</b>	April 26, 2013, after 10 a.m. CST
<b>Submission of Questions</b>	June 7, 2013, 2 p.m. CST
<b>Official Response to Questions Posted</b>	June 14, 2013, or as soon thereafter as practical
<b>Application Deadline</b>	June 28, 2013, 2 p.m. CST
<b>Grant Award</b>	July 19, 2013, or as soon thereafter as practical